

MINUTES OF THE

STUDY SESSION

GOVERNING BODY

Santa Fe, New Mexico

September 30, 2003

STUDY SESSION: 2:00 p.m. – STAFF PRESENTATIONS – CIVIC CENTER

A study session of the Governing Body of the City of Santa Fe, New Mexico was called to order on this date at approximately 2:30 p.m. in Sweeney Center, Main Floor, following the Pledge of Allegiance and Invocation.

Members Present:

Mayor Larry A. Delgado
Councilor Carol Robertson Lopez, Mayor *Pro Tem*
Councilor Patti J. Bushee
Councilor Miguel M. Chavez
Councilor David Coss
Councilor Karen Heldmeyer
Councilor Matthew E. Ortiz
Councilor David Pfeffer
Councilor Rebecca Wurzbarger

STAFF PRESENTATIONS – CIVIC CENTER

Finance — Kathryn Raveling

Ms. Raveling reviewed a four-page handout, which included a cash flow graphic of a projected financing plan for the parking facility and convention center facility; a cash flow graphic of Lodgers Tax uses under the projected financing plan; an alternative financing scenario with a reduced project, and a 10-year summary of staff projections for Sweeney Center.

[Handout submitted with these minutes as Exhibit "A."]

Mayor Delgado stated that, as he understood it, all of the Lodgers Tax revenues that come in would be funneled into this project.

Mr. Raveling responded that this is correct under the current proposal, with the usual set-asides for Transit and other areas that are receiving funding from the Lodgers Tax. She stated that bond payments must be prioritized, however, and so those will come off the top. She said that, in meeting bond covenants, revenues have to be more than the expenses plus another 25% of the debt service.

Councilor Heldmeyer asked Ms. Raveling if her discussion of parking operational costs is just in reference to the convention center parking garage or for parking all over town.

Ms. Raveling responded that she was referring to the convention center parking garage only — although most of the City's other parking facilities are in the City's Parking Enterprise Fund, this will be the exception and there will be a separate "Convention Center/Parking Facility Enterprise Fund."

Addressing bond covenant requirements, Councilor Heldmeyer asked Ms. Raveling where the City would make up the difference if Lodgers Tax revenues are lower than expected.

Ms. Raveling responded that she would take the first 1% Lodgers Tax and put it into Arts, to make sure that portion goes to nonprofit arts programs as per the ordinance.

Ms. Raveling said she would pull money from the second 1% portion, which is currently dedicated to the convention center; and if there is a new 1%, the same thing would apply to that.

Addressing the remaining 3%, Ms. Raveling said 50% has to go for advertising and promotion, and that is transferred over to the CVB, according to ordinance.

Ms. Raveling stated that the pool of money remaining would have to make up any loss.

Councilor Heldmeyer observed that it would be things like Administrative, Transit Funding, and Special Events Overtime, and Ms. Raveling concurred. She added, however, that the City began subsidizing these elements a few years ago with more than 50% of the 3% when the City had the extra advertising contract money.

Councilor Heldmeyer asked if the City would then have to turn to the General Fund if these monies are exhausted, as it has done in other instances.

Ms. Raveling said that was probably correct, but stated that one other step would precede that. She stated that, because the debt service payments would have to come out of the pot of money left, the City would be left with a lot of operating costs that it could cut, or positions could be left vacant, etc.

Councilor Heldmeyer asked what are the differences between the \$37.3 million reduced project and the consultant's report of \$41.9 million.

Ms. Raveling responded that, in her mind, the City would tell the architecture and design service people to come in with a project at \$37.3 million or \$41.9 million, and then the differences would be apparent.

Councilor Heldmeyer asked Ms. Raveling how much the bond price would go up if the City had its own surety instead.

Ms. Raveling responded that there would not be that much effect. She said it's really not a difference in the actual bond rating — there are a lot of factors that go into the bond rating, and the underwriters use interest rates that reflect the situations the City sees; for instance, Lodgers Tax is not as secure as gross receipts tax.

Ms. Raveling agreed with Councilor Heldmeyer that the fact that this is Lodgers Tax rather than GRT, and therefore less stable, probably has more impact than whether the City has a reserve fund or a surety bond — because either way, that's protection for the bondholders.

Responding to questioning from Councilor Chavez about using the City's \$3 million in reserves as a cushion, Ms. Raveling stated that the City could put into the ordinance that it will not be penalized if it has to tap into that fund perhaps for two years in a row. She said the City can do that anyway, since it is City money, "but my concern is that it doesn't impact us with the bondholders coming in and saying, 'you guys aren't meeting bond covenants,' as happened with water.

Sweeney Space Allocation — Julie Berman

Ms. Berman reviewed space recommendations that were developed with input from Darlene Griego, herself, Albert Martinez, William Trujillo and Martin Valdez.

[See Exhibit "B" for Civic Center Space Recommendations.]

Referring to the last page, Civic Center Space Allocation Comparison Between Staff and Task Force Recommendations, Ms. Berman noted 64,360

square feet of usable space under staff's recommendations and 65,440 under the Task Force recommendations.

Mayor Delgado asked Ms. Berman to discuss the existing number of CVB staff versus the recommended number.

Ms. Berman responded that, currently, Ms. Griego and her staff number 14. She said this did not include the recommended additions of a fulltime sales & marketing person and a half-time person for local marketing. She stated that staff envisions, at some point, an additional information specialist; and on the building side, there are approximately 12. She stated that, if this plan is approved, staff envisions an additional custodian and two more operation specialists.

Mayor Delgado asked Ms. Berman if the recommended facility will be able to "feed, meet and greet," and Ms. Berman responded that staff believed so. Referring to the fourth page of the handout, she said four types of events currently accommodated at the CVB were listed with current seating versus the seating that will be possible in the new facility.

Citing one example, Ms. Berman stated that the City of Santa Fe's Christmas Party, which currently seats 630 people, would expand to 1,150 seats. She remarked that the situation has gotten so bad that now they are using a couple of rooms upstairs and starting at 5:30 to get people in and out; so when the dancing begins, it can be handled. She pointed out that a conference of 1,500 people could be accommodated if there were no dancing.

Ms. Berman said staff supports the new facility because of the amount of local business that would be accommodated. She reported that she was shown the 2004 calendar today, and commented that it is nice to see the weekends starting to fill up with weddings and large new events.

Councilor Heldmeyer asked if groups have actually told the City that they need more space and a larger facility, and Ms. Berman responded affirmatively. She stated that she worked in the CVB for about a year, when meeting planners would stop in and look around and determine that this was not the right facility for the groups they were representing. She went on to point out that "people were hanging from the rafters" during the last Whitehawk events. She added that, when people buy a booth and find themselves upstairs at various events, "you want to be down where the action is."

Councilor Heldmeyer asked if people who have used the CVB would find themselves paying higher prices, and Ms. Berman responded that this would be determined in the next phase when a rate analysis is done. She said it can be

assumed that some things will go up in price, but perhaps a discount could be given to local business.

Councilor Heldmeyer stated that many convention centers are having problems with their dividable space. She cited the Albuquerque Convention Center. She said, "People want to be the big cheese when they come to a center. They want to be the primary event. They don't want it with a wedding and a mariachi concert and a party." She asked if staff has talked to people about that.

Ms. Berman responded that staff has already dealt with that, where people have not wanted to have a City meeting or an event while an art show is going on, etc. She said staff will have a wonderful opportunity to work with the architects in addressing this concern.

Citing the national economy, Councilor Bushee said people are traveling less and turning to online conferencing. She said she would be interested in hearing staff's perspective, at some point, that the City can maintain the kind of market it already attracts, whether it is local or from outside, and what a new and improved facility could do to enhance that.

Parking — Mike Lujan

Mr. Lujan referred to two documents, both prepared by Walker Parking Consultants and dated August 4, 2003: City of Santa Fe Civic Center Parking Demand and Financial Analysis, and a two-page excerpt from the narrative of the analysis.

[See Exhibits "C" and "C.1" respectively.]

Mr. Lujan stated that Council Resolution No. 2001-56 directed staff to look at conceptual design and financial feasibility for parking at this location. He said the resolution acknowledged that parking deficiencies in Santa Fe were "unusually severe for a community this size," a key finding of the 1995 Wilbur Smith Associates parking study. He said the study recommended improvement strategies primarily in two categories: demand reduction and supply enhancement. He said considerations by the City at the time included doing everything possible with alternative modes of transportation, and making better use of the existing parking supply through pricing, enforcement, etc.

Mr. Lujan said supply enhancement recommendations in the Smith study included a 509-space facility at the CVB site with a 10% effective supply cushion, for a minimum of 565 spaces. He said the recommendations called for a two-level below grade facility, each with about 300 spaces.

Citing a critical point, Mr. Lujan stated that, in the study, the demand was limited to the CVB site, City Hall and the Judicial Complex. He said the study did not take into account that the City would continue to lease 200 spaces north of the Federal Building, or that the Museum of New Mexico would expand its space on Lincoln Avenue and attract more visitors and possibly more employees.

Mr. Lujan stated that, in looking at possible reductions to lower the cost of the parking facility, staff noted the Task Force recommendations that a 10% reduction in the parking inventory be considered. Therefore, he said, staff is looking at a parking facility on the scale of 540 spaces as opposed to 600. He said, "At that number, staff feels we would come close to at least dealing with what was known as effective capacity and effective supply. Other factors to consider are that if we go much beyond that, revenue starts becoming a factor. If you scale back too much, you end up dealing with just the needs of the Civic Center and City Hall, and you'd eliminate virtually everything else around you. So there could be some impact to revenue in that regard." He said one of the report's recommendations is that any net operating income out of the parking facility would be channeled back into the Convention Center/Parking Facility Enterprise Fund.

In concluding his report, Mr. Lujan said this new facility would give added flexibility on managing the current parking supply at the Sandoval garage, for instance. He said some of the parking could be shifted to the new location to open up supply at the older facility. He stated that it would also give flexibility to on-street parking management on Federal Place.

Mr. Lujan said staff was comfortable with the recommendations. He added that a 600-space facility would make sense, but in the interest of reducing cost, taking 60 spaces away would reduce the cost of the parking facility by \$1.2 million.

Responding to questioning from Mayor Delgado, Mr. Lujan stated that operating costs for the parking facility would be about \$410,000. He said reducing the facility by 60 spaces would not have much effect other than resulting in fewer lights and less HVAC.

Mr. Lujan also stated that the City will have to deal with the parking on the City Hall site during construction. He said shuttle operations would be looked into from areas such as the Railyard and the City-owned Park & Ride site behind the Radisson. He stated that Parking Enterprise Fund balances would help offset those costs.

Mayor Delgado said he understood the County would not be contributing to this project, and Mr. Lujan responded that this was correct. He said the City would view the County and the District Court as customers, as they currently are.

Mayor Delgado said he understood the District Court is pressing the County for more room, and asked if the County would be able to keep the Court downtown because of the new facility's additional parking spaces for their employees, jurors and so forth.

Mr. Lujan responded that he thought it would make the County's decision on how to address that a bit easier. He said the consultant is making assumptions that there will be 95 additional monthly parkers in the facility, which could easily be filled by Court employees.

Councilor Ortiz asked Mr. Lujan if the City can afford to build a parking facility at the Civic Center site along with the parking facility at the Railyard, which the City is required to build as part of its agreement with the Railyard Corp.

Mr. Lujan responded that, according to the Walker study, the City can only do one of the two projects. He said both Walker and HVS, the other consultant on this project, showed that if the City goes through a parking system revenue bond, the City could bond for about \$10 million — however, that will be mostly taken up by Railyard development as proposed, an issue that needs further review by the Governing Body.

Councilor Pfeffer noted that the memorandum from staff to the Governing Body poses "a fairly strong argument, based on several points, for retaining the design of a 600-space parking facility as a minimum acceptable design." He said the arguments for this include that the proposed parking garage will be expected to accommodate the new Civic Center; City Hall; Courthouse parking; and monthly parking in the area, and that there are hundreds of downtown employees on the City's waiting list for parking.

Continuing, Councilor Pfeffer also noted staff's argument that "another incentive to preclude reducing the number of parking spaces in the design is the potential increase in cost per space to operate, or loss of parking inventory altogether" from private lots currently being leased to the City, which could result in a decrease of 490 spaces.

Councilor Pfeffer also pointed out that, according to staff's memorandum, the Walker study indicates that the garage should supply at least 565 spaces "if it is to meet a design day demand of 509 spaces with a 10% effective supply cushion, which already makes the first option of reducing parking spaces by 10% or 60 spaces debatable."

Councilor Pfeffer asked Mr. Lujan if he disagreed with that, and Mr. Lujan responded that he did not. He added, "I want to point out that this is something that goes back several years. It has taken time to get to this point. We're looking at what we have available in land that we own within this area. I believe that the recommended numbers are necessary, particularly with what is here in the heart of the BCD."

Mr. Lujan also stressed that, in the interest of scaling back costs, "we can tolerate and live with a 540 space facility.... but again, 600 is the number that was recommended."

Responding to questioning from Councilor Heldmeyer on what the City would charge the County for parking, Mr. Lujan said the assumption is that everybody will pay the going rate, including the County.

Councilor Wurzbarger observed that the Walker study did not do future projections, and Mr. Lujan responded that this is correct, "partly because they did not have the data available that they needed from Planning & Land Use." He said the Walker study dealt with the "here and now."

Councilor Wurzbarger responded by pointing out, then, that the City needs 600 spaces right now. She said she would assume that a short-term trend projection looking back five years would, in fact, be looking beyond where the City is right now. She said she suspected that the trend has gone up over time rather than down.

Mr. Lujan responded that he would agree with that.

Councilor Wurzbarger said it occurs to her that perhaps one of the City's weaknesses — which would argue strongly for 600 spaces — is that "we're designing a building here that will take us out 30, 40, 50 years, and yet we're doing a parking structure that will meet today's needs."

Councilor Wurzbarger asked Mr. Lujan how many cars actually sit for any length of time in the City Hall/Sweeney lot, and Mr. Lujan responded that 160 spaces to the north side of Sweeney and City Hall are reserved weekdays for City employees, and the remaining 70 are essentially the public going in and out.

Councilor Bushee asked Mr. Lujan if he has looked into other parking structure alternatives such as robotic parking, which is done in Japan and other areas where there is a shortage of surface parking.

Mr. Lujan responded that the Parking Advisory Committee looked into that extensively, and Walker was also asked to comment on it. He said robotic parking is used generally for long-term parking, so would not work in a place

where cars have to be moved in and out, often at the same time. He added that it wouldn't work in most downtown locations either.

Councilor Bushee, noting that each space in the new parking structure will cost \$21,000, urged that other incentives be considered beyond free rides on the bus.

Councilor Bushee asked Mr. Lujan if the parking facility can be considered a future revenue generator.

Mr. Lujan responded that, according to projections, around the fifth or sixth year the City would begin to see an annual net operating income of roughly \$100,000.

Engineering — Robert Romero

Engineering Division director Robert Romero called the Governing Body's attention to his memorandum (in the packet) providing construction estimates from Balis & Company and Accurate Estimating Services.

Mr. Romero stated that Balis estimated \$37.6 million for construction, design, contingencies, furniture, communications, permitting and so forth.

Mr. Romero said AES estimated \$42.6 million, about 13% more. He stated that AES added escalation into their number; and when they looked at design, contingencies, furniture, communications and permitting, they used the same percentages for both the civic center and the parking facility. He said Balis lowered their percentages for the parking facility because it will not have the furniture nor communication needs.

Mr. Romero stated that staff feels that the two numbers are within about 10%, which is reasonable for this early stage. He cited Ms. Raveling's analysis on what is available, which she estimates at about \$40 million.

Mr. Romero said staff feels that construction could begin in September 2004, after Fiestas, and would take 18-22 months to complete — at the latest, it would be done in July 2006, representing a loss of just one peak season in terms of Spanish Market, Indian Market and Fiestas.

Responding to questioning from Mayor Delgado, Mr. Romero stated that the bidding documents would include not only the construction of the parking structure and civic center, but also infrastructure such as sewer, water and streets.

Technology — Rick Carlisle

City Chief Information Officer Rick Carlisle stated that he asked Gartner Research to provide him information regarding the top information technology requirements for convention centers. [See Mr. Carlisle's memorandum in the Council packet.]

Mr. Carlisle said Gartner stated that telecommunication services overall rank in the top five requirements for convention centers and to attract conventions. He said 80% of conventions go to facilities with advanced telecommunication services. He stated that executive breakout rooms rank the highest; also on the list are strategically placed kiosks (not Internet accessible) to provide current information to exhibitors and convention attendees, and main floor services such as theater-type audio-visual, and advanced lighting and sound.

Mr. Carlisle said he has not included lighting and sound in his memorandum because that could range from \$120,000 to \$200,000 depending on what is required and how big the floor will be. He stated that this will be the bulk of the cost.

Addressing technical services that the City can provide, Mr. Carlisle said the cost for kiosks, monitors, cable and wireless are on a per-unit basis (about \$110,000 per), so the total will be determined by the size of the building and other design factors. He said there could be five to six kiosks and three to four monitors on the main floor; and depending on the number of executive breakout rooms, each would be about \$10,000 per room.

Councilor Lopez said she envisioned Los Alamos Laboratories as a major user of the civic center, and asked if the City would be providing state-of-the-art capability for the Labs.

Mr. Carlisle responded that it would be state of the art.

Marketing Plan — Darlene Griego

Ms. Griego stated that, in preliminarily looking at how the civic center would be marketed, "more and more we're finding that the lead time on meetings has shortened somewhat; however, rarely is a meeting booked within less than a year." In order to meet projections, she said the new facility would have to be marketed once the drawings are completed and the ground is broken.

Ms. Griego stated that the CVB finds itself more often lately "competing with the big guys — Chicago, New York, San Francisco — for meeting space." She

said that, while Santa Fe would pose more competition, “we need to get the message out much sooner that we are creating a new center so that we can be full, or at least have business in here when the doors open.”

Ms. Griego said Maverick Advertising has developed a proposal on how the facility would be marketed and has posed four objectives:

1. Increase awareness of the new center among the target audience by 100%.
2. Encourage inquiry to the sales team; generate 700 solid leads from meeting planners.
3. Generate 25 FAM trips with selected groups of planners.
4. Provide persuasive promotional tools for the sales team to use.

Ms. Griego referred to a breakdown of the \$475,000 advertising budget.

In discussion on the expected downtime of up to two years, Mayor Delgado said he hoped the hotels, College of Santa Fe and perhaps the Community College, along with others, would “step up and fill this downtime as it goes on.” He commented that he did not want the City to totally lose business.

Mayor Delgado said he understood the City would be advertising for a caterer.

Ms. Griego responded that staff has done some research and has a lot more to do, but has discovered from conversations with various resorts that the best avenue is to go out to bid and have a sole source provider in the interest of good sanitation.

Councilor Heldmeyer pointed out that there are positives and negatives to having one food provider. She said having many vendors would lend support to local business.

Councilor Heldmeyer stated that, according to research, people don’t see Santa Fe as a place to hold a meeting because of high hotel room prices, the lack of a headquarters hotel, and not having an international airport. She asked Ms. Griego if the research is designed to seek out those meeting planners for whom those are indeed problems, and therefore target that group.

Ms. Griego responded that this group will definitely be targeted.

QUESTIONS FROM GOVERNING BODY/ DIRECTIONS FOR STAFF

Councilor Wurzburger stated that she was very impressed at the amount and quality of work that staff has put in over the past two months, and thanked the City Manager for his leadership.

Councilor Lopez asked when a fee schedule will be brought forward, and Ms. Griego responded that she would contact rate analyst Dennis Gee tomorrow to discuss when work could begin.

Councilor Lopez commented that cost overruns and delays are major problems in construction jobs, and asked if there are plans to hire an independent project manager.

City Manager Romero responded that an independent project manager would be hired to keep the City within budget and within the allotted time frame, and that person would report to his office. He said Robert Romero and Mike Lujan would also oversee the project.

Councilor Lopez asked if incentives would be built in to move the contractor forward.

Robert Romero responded that incentives are “a great idea” and would be pursued.

Councilor Chavez commented that it was safe to say that something would happen on the CVB side. Addressing the \$3 million in reserves that Ms. Raveling stated could be used as fallback money if 3% growth projections do not pan out and all other sources are exhausted, he asked Ms. Raveling to consult with the underwriter now so that question is taken care of in advance.

Ms. Raveling responded that she posed that question to the underwriter, who said he would speak with bond counsel. She said she would have an answer this week.

Mayor Delgado asked what the next big step is, and Ms. Raveling responded that it would be to decide on the design and then approve the design contract, whether that is extending the current contract or doing a new one.

Mayor Delgado asked City Manager Romero if that would have to go through the committee process or would it go directly to the Governing Body, and Mr. Romero recommended the latter.

Councilor Bushee asked for more detail on: 1) interim plans in terms of what will happen to staff and the customers and clientele that the City wants to maintain; 2) some kind of analysis with regard to any other facilities that are planned in the immediate Northern New Mexico market, since she understood some of the tribes have plans for facilities; and 3) some coordination with regard to the forthcoming economic plan, which targets niche markets that would benefit Santa Fe.

Councilor Bushee noted that it will take six votes to get a bond for this, “so short of a bunch of votes, and some we can agree on and some we can’t, I would really like to see a whole agenda for this issue spelled out or determined by the Council or staff as they see it, combined with the committee and other input. I mean, we might say, okay, we can approve this tax, and we may be able to get some kind of vague conceptual approval, and then when we get down to the nitty-gritty about the money, it may just come to a grinding halt. So I want to see how we’re going to put this together.”

Councilor Heldmeyer stated that an “economic bigwig” in town two weeks ago advised her that the City was going about this the wrong way: “That instead of figuring out what you want to focus on, and then figuring out what you can design around that, you’ve gone to the biggest design that you could possibly have and then tried to back in and figure out what you could do to fill it.”

Councilor Heldmeyer commented that the City does not have the money to pay for the current design, but the new proposed cost doesn’t relate to that design, and yet there has been no discussion about what gets cut out, what gets left in, etc., to meet that cost.

Councilor Heldmeyer said this new civic center will be a “crapshoot” because tourism and the economy are down and competition in the meeting industry is increasing.

Councilor Heldmeyer stated that the City is not looking at this as a huge boost to the economy; rather, it is looking at a center that is primarily used for local uses. She said Sweeney Center, “old gym that it is,” is starting to fill up with local uses, and that should be the focus of what the City is doing in terms of coming up with prices and policies that are friendly to locals.

Addressing the small businesses that are hurting, Councilor Heldmeyer questioned why the City’s economic development group “isn’t out there on Marcy Street, going up and down the street and saying, what can we do now to help you? Because at best, we’re looking at at least two to three years down the line for this, and in those two or three years we may very well be looking at a real dearth of business if people decide that they don’t want to set up at the College of Santa Fe or wherever it is, and it may take them time to come back.”

Councilor Coss agreed with Councilor Heldmeyer that, before the City goes ahead with the design contract, some policy decisions have to be made and some review work undertaken. He said he would like to give staff the time to work that out.

Councilor Coss stressed the importance of creating an affordable project that poses a minimum risk to the taxpayers and citizens, and serves Santa Feans. He said the City's CIP needs are enormous, and he did not want risk increased beyond a manageable state.

Councilor Coss said more programming is needed in order to understand who is going to use the facility and how they will use it. He stated that Councilors have not yet seen space priorities for the facility.

Councilor Coss stated that he wanted to be sure that the "Cultural Arts & Tourism Plan is more than just, here's your space, get after it. I want to see cultural arts and tourism built into the policy."

Councilor Coss stated that he would like to see a policy statement from staff that the Governing Body can act on. He said it should discuss the programming as well as lay out projected revenues and expenditures, including what Ms. Berman's space allocations would cost on a ballpark level.

Councilor Coss stressed the need to minimize the disruption and size as much as possible. He said the resolution spoke to designing this in the context of the civic center district plan, which the City doesn't have and doesn't have the time to develop, either: "My concern, and this is a personal one, is that we're overbuilding the downtown.... And I've been hearing people talk about lack of parking for twenty years.... I think parking lots are like freeways — we can fill it up, that's no problem, but it's not going to stop people cruising around, and it's just going to bring more cars into our downtown to the detriment of our downtown, and I don't think we're addressing the demand side reduction."

Councilor Coss stated that bringing the facility down to 400 spaces would free up money to work on demand side reduction and create a far more affordable project. He said he could not support a 600-space parking facility.

Councilor Coss stressed the importance of including annual capital costs in the budget, which is critically important in the high tech arena, where equipment has to be upgraded and/or replaced. He commented that he would prefer to spend money on technology in the new building rather than parking.

Councilor Coss cautioned that the more the City tries to characterize this project as an economic development engine, "the more we emphasize outside

use versus local use, and I think the greater the risk [to the citizens and taxpayers] becomes.”

Councilor Coss said he would direct staff to tie down whether the County is or isn't going to help with any of the costs for increasing the parking at this location.

Councilor Coss commented that the City “is in no way ready” to contract for architectural drawings and bid documents until it has a policy statement in place, and that means the City isn't ready to write an operations and marketing plan, either.

Councilor Pfeffer agreed with Councilor Coss that the Governing Body should adopt a policy position on “what we want to see this thing actually be.”

Councilor Pfeffer said he was “amazed” by the fact that staff came up with virtually the same figures for usable square footage, functions, etc., as the task force consultant came up with. He said he was also impressed that the staff consultant's cost estimate is within reach of the task force consultant's cost estimate. He commented that this meant to him that the scope of the building was doable within the range of what the task force was recommending.

On the financing of this project, Councilor Pfeffer said he thought using the City's reserve fund as backup, should all other sources fail, made sense to him. He agreed that the City should have a workable agreement on what exactly it will do in a flat year or two flat years in row.

Councilor Pfeffer said it was “mixing apples and oranges” to say that the City would be maxing out this project on the City's one credit card, so to speak. He pointed out that the parking garage will not be funded with CIP bond monies, for example.

Councilor Pfeffer disagreed with Councilor Coss' idea of cutting back on the number of parking spaces: “While it's true that parking does tend to generate automobile traffic, we have a demonstrated need already for that volume of parking. If we don't do it, what happens classically is that the cars go away. That could be good from the point of view of someone who is not interested in seeing the economic development that comes along with the civic center. It also is good from the point of view that we should all use bicycles... but I don't think it's wise to cut corners on those parts of a project which we know will generate revenue. It seems pennywise and pound foolish.”

Councilor Pfeffer commented that, with all due respect to Councilor Heldmeyer, “what I heard the economic consultant who was in town a few weeks ago say about this project was not that we're putting the cart before the horse — what I heard was, and I'm quoting him: this is a slam dunk.”

Mayor Delgado pointed out to Councilors that sooner or later they would have to vote on this project “instead of continually bringing forward more concerns. We have a responsibility to the people of Santa Fe.”

City Manager Jim Romero recommended that, should this project move forward, the City go out to RFP for design of the facility.

CONCLUSION OF SESSION

The Study Session concluded at approximately 5:00 p.m.

Approved by:

Mayor Larry A. Delgado

ATTESTED TO:

Yolanda Y. Vigil, City Clerk

Respectfully Submitted:

Judith S. Beatty, City Council Reporter